

GSE CUSTOMER COUNCIL MEETING

July 29, 2004

Members Present:

John Bradford, Chairperson, Member of Public; John Baldwin, DOC; Cpt. Bob Alles, DPS; Jennifer St.John, DNR; Marcia Spangler, IDED; Greg Anliker, Elder Affairs; Charlie Smithson, Ethics; Ruth White, Human Rights; Peggy Sullivan, Judicial.

Members Absent:

Roger Johnson, Cultural Affairs; Mary Lawyer, IDED; Bob Straker, AFSCME

Others Present:

Pat Deluhery, GSE; Debbie O'Leary, GSE; Dale Schroeder, GSE; Tim Ryburn, GSE; Dean Ibsen, GSE; Tera Harrington, GSE; Nancy Williams, GSE; Julie Sterk, DAS; Bonita Lane, GSE; Barb Bendon, GSE; Patti Allen, DAS; Tim Brand, DAS; Mark Willemssen, Legislature; Linda Plazak, DAS; Paula Newbrough, GSE/Fleet & Mail; Patricia Lantz, DAS.

Call to Order

Meeting called to order at 7:30 a.m.

Opening Comments

None

Approve Minutes of June 24, 2004 Meeting

Charlie Smithson asked that additional information be added to the Multiple Year Contracts notes – last paragraph to read “Charlie Smithson noted the importance of keeping track of all savings dollars and reporting that information to the Governor’s office – we must show “concrete examples” of cost savings to the Governor and other agencies as appropriate – we must share our success stories.” Jennifer St.John moved to approve the minutes with the change. Greg Anliker seconded the motion. Motion passed.

What is an “Authority” and how does it affect DAS – GSE? & Mail/Leasing Rates –

Lottery Discussion

Pat Lantz distributed a “hand-out”, which defines several items:

- Seat of Government – is defined by the Constitution of the State of Iowa.
- 7E.4 – Definitions and terminology for executive branch organizations – has definitions for all Executive Branch organizations and defines the word “Authority”.
- DAS – 8A.101 Definitions – our statute includes an “Authority”.
- Lottery – 99G.4 – Iowa lottery authority created – their definition is created as an authority. They are deemed to be a public authority and not a state agency.

There is certainly conflict between what DAS statute states is an “Authority” and the Lottery statute.

The two statutes were passed in the same year.

DAS statute provides for specific exceptions to DAS services – IPERS, Board of Regents and some facilities under the Department for the Blind.

The Lottery includes certain things for which they are considered a State Agency. DAS is not one of those.

GSE has provided Leasing Services to the Lottery in the past. GSE has provided support services for leases outside the City of Des Moines which include:

- ADA compliance review
- Management of the Executive Council approval process
- Technical assistance when requested

- Management of a master lease data base
- Legal review of the leases outside of seat of government if so required or necessary.

Lottery has also used GSE's bulk mail permit in the past.

DAS has also provided information for Legislative inquiries such as:

- Central reporting function
Legislature seems comfortable with going to one place to get that information.
- Marketplace research on pricing.
- Having one place for a reporting system establishes accountability for state government in their leasing operations.

Chairperson John Bradford asked if Lottery "can opt out of leasing"? Pat Lantz noted a position DAS can take is that you are not specifically exempted from our Code statute. DAS Code statute says a state agency is an authority.

Charlie Smithson stated he believed it would ultimately be the Court, which would have to decide the issue.

Services Lottery is currently using from DAS:

- Local mail
- CCM Services (maintenance, etc.)

Pat Deluhery urged the Council to take a position on it in order to have the utility function hold together. If people pull out of a utility function you spread the cost over fewer, you also lose that centralized reporting function, which is very important.

Greg Anliker noted it appears that the DAS language is pretty clear and the intent was not to exempt authorities. From that basis Greg moved that we move forward with the assumption that, based on the law that rules you and this council, that we expect Lottery to be a part of it since it does specifically include authorities. Motion seconded by Cpt. Bob Alles.

Motion passed with one opposing vote by Charlie Smithson.

SLA for Association Fees (Action Requested)

Tabled to next meeting due to lack of time.

Rate Discussion (Action requested)

Patti Allen introduced and distributed a hand-out. Discussion of the schedule for the FY06 rates. We have two goals we are trying to address:

1. Have rates in customer's hands prior to the required delivery date for an early budget submission.
2. To have our rates set to be compliant with our code stipulation by September 1.

The other two councils (ITE & HRE) have FY06 rates ready to share with customers.

Schedule

- GSE to have their rates approved by sometime close to August 9, 2004
- Propose on that date (or close to that date) to have a meeting of all three Customer Councils that each of you would be free to attend. The Council chairs or vice chairs would present their rate packages to the group. This would be a public meeting, if you want to come and participate in rate discussion; we are providing a form for that.
- End the comment period around August 20. You would have, on or around August 9, approved ***proposed rates*** that would be sent to your peers for review.
- On or about the 20th – you would determine whether or not you need to make any modifications in your rates – then you would vote to finalize the rates.
- The “booklet” would not be published until the customer councils have had their vote at the end of August.

Patti Allen proposed:

- To establish a document on a web-site which she will update on a daily basis.
- Would ask that all of the questions be communicated directly with Patti Allen in writing.
- Patti will post the inquiry and work with Director Anderson to determine who should answer the question and then post the answer within five working days, if feasible.
- The questions are all going to be in one place for anyone to see.

Notification to other agencies – DAS will be notifying customers about each step of the process as well as an invitation to the public meeting, they will be given the address for the web-site and the directions about what to do if they have questions or comments that they would like to submit for public discussion.

Greg Anliker – noted he is concerned with the “tight time-frame”.

John Bradford asked “how different are these rates from the last ones?” Debbie O’Leary stated that the methodology is very similar to last time as far as the square footage, mail counts, etc. There was a learning curve last time that there won’t be this time.

John Baldwin stated he believed we are all going to have to prepare two rate packages:

- One “status quo”
- One with increases

If there is an increase proposed, we’ll have to roll into the “offer”.

Definition of “offer” discussed – John Baldwin stated Washington State has an interesting model of “buying and selling”; Iowa is trying that same model. There are “buying teams” established. Departments will offer their services to that “buying team”.

Denise Sturm joined the meeting via conference call:

Pat Deluhery summarized the following for a GSE timetable for the next three – four weeks:

- 7/29/04 Receiving some rate information
- 8/5/04 Receive the balance of the rate information
- 8/9 – 8/20 For the Customer Council to receive comments from the customer agencies.

- 8/23/04 & 8/24/04 – we would try to have a GSE Customer Council meetings to finalize the rates.

Denise reviewed information regarding FY06 GSE utility rates and would like to note the budgeted function that are applicable to all of the budget information that you see, is the rate information that will be presented both today and next week.

- Basic payroll assumptions and projections and built them into the budgets for all of the rates/information that you will see today.
- Since we don't have a contract negotiated, we did make some assumptions, they are as follows:
 - o We assumed that in FY06, there would be a cost of living increase of 2% that would be implemented 12/30/05.
 - o We assumed vacant funded positions at the mid-range with the cost of living but no merit increase.
 - o We assumed that rate increases would be one year regardless of eligibility and no increases past top of range.
 - o We did not change the IPERS percentage.
 - o We assumed that health increase would increase 15% and that the State contribution would also increase.

Other things included:

- We did add all the new utility rate costs that these enterprises would be subject to.
- We have modified this to include a new auditor's bill. With the passage of the DAS bill, the Auditor has designated the DAS audit to be billable. GSE's portion was approximately \$91,000.
- We have incorporated Attorney General costs as appropriate and realigned them to the areas that receive the most services.
- IT costs were re-aligned with real costs now that we have merged.

Debbie O'Leary presented the Purchasing Budget to the Customer Council. (Hand-out distributed)

Areas where there are increases:

- HRE rates – in FY05 GSE was provided a distribution. In FY06, we will not be receiving that distribution. It will not be going to the revolving funds.
- Attorney General fees – not reflected in FY05 rates
- Auditor's fees – not reflected in FY05 rates
- Continue the same rates as the previous year

Information not available at this time is the "purchases by departments". We will not have this information since the close-out of the fiscal year is not official until August 31. Therefore, we do not have accurate information to do a "rolling three year average by department". However, the total expenditures are about the same as last year.

Recommendation: Continue the current rates for purchasing agencies are now being charged.

Debbie O'Leary presented the Blanket Bond information to the Customer Council. (hand-out distributed)

Debbie noted this is the “embezzlement bond”, this covers all state employees in case there is embezzlement, this is the state liability policy.

- Increase in this budget of \$6,476
- Reasons - in the previous budget we did not take into account the shared services fees.

Debbie noted that there is a “Shared Services” fee and management cost for General Services of about \$ 1 million. This was divided up among all of the areas.

Dale Schroeder presented the proposal for the Fleet Management Services. (hand-out distributed)

Dale advised this is the service we provide as a utility for managing the State Fleet vehicles assigned to all state departments. At the time we printed this there were 2,587 vehicles. This does not include motor pool services nor state garage services, which are marketplace activities.

Dale noted the budget did go up significantly – from \$459,462 to \$618,331 in FY06. Majority of those increases are in the areas of:

- Significant increases in shared services
- Increases in association fees which are not reimbursable to us in FY06
- Auditor’s assessment
- Increased Attorney General assessment

Dale noted re-alignments were made in the area of personnel, which enabled us to keep down the salary costs and avoid some of the increases that were spoken of earlier.

In FY05 – the per vehicle rate is in the \$16.00 per vehicle per month. This amount would increase to \$19.92 based on data that we have now as to the number of vehicles in the fleet. That figure changes monthly.

GSE is asking for “approving of *proposed* rates” today. John Bradford stated he would ask to ***approve for publication only without comment as to the adequacy of content***. It was noted this allows for feed-back from other agencies.

Dean Ibsen presented the proposed Design & Construction FY06 rates. (hand-out distributed)

Dean advised D & C is budgeted from several categories:

- Space Management
- Leasing
- Ceremonial Space
- Utilities (water, heat & gas)
- Vertical Infrastructure program
- Design & Construction

We are talking specifically about the Design & Construction piece, which is the project managers that work on projects throughout the state.

In looking at the total budget, we are assuming we appropriation carve out of \$375,000 from a Major Maintenance Appropriation. We have also received and hope to continue to receive \$200,000 for the Vertical Infrastructure program.

We were not successful last time in getting language that allows us to bill for projects and we will continue to do that. I believe it is most appropriate to assign our services to specific capitol projects. We would pursue this in terms of an hourly rate charged, just as if this were a professional consulting firm. We would be paid either from the specific appropriation for the project or from other funds the agencies may allocate for this work

Budget items:

- Purchasing
- Attorney General Fees
- Auditor's Office
- Shared Services

Membership – Terms of Office

Tabled to next meeting due to lack of time.

Who controls what buildings? Why? Discussion

Tabled to next meeting due to lack of time.

Next Meeting Dates

See below.

Open Discussion

Charlie Smithson expressed his thanks to the Leasing/Move Management Team for the fine job performed in his recent move back to campus. Charlie noted he is a “very satisfied customer”!

Adjournment

Meeting adjourned about 9:14 a.m.

Next Meetings Currently Scheduled

Thursday, **August** 5, 2004 – 7:30am – 9:30am – Hoover/A-Level – EMD Conference Room

Thursday, **August** 19, 2004 – **CANCELLED**

Monday, **August** 23 & Tuesday **August** 24 – Time & Location to be determined

Thursday, **September** 16 – 7:30am – 9:30 am – Hoover/A-Level – EMD Conference Room

Tuesday, **October** 12, 2004 – 1:30 – 4:30pm – Hoover/A-Level – EMD Conference Room

Tuesday, **November** 16, 2004 – 1:30 – 4:30pm – Hoover/A-Level – EMD Conference Room

Tuesday, **December** 14, 2004 – 1:30 – 4:30 pm – Hoover/A-Level – EMD Conference Room

Respectfully submitted,

Nancy Williams, Secretary 281-7259